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T. KEVIN FLANERY
SECRETARY

MEMORANDUM

TO: Selected Agency Fiscal/Budget Officers
Selected Agency Facilities Managers

FROM: T. Kevin Flanery, Secretary
Finance and Administration Cabinet

DATE: August 9, 2002

SUBJECT: Procedures for Closing Capital Projects

Several months ago, the Capital Projects and Bond Oversight Committee (CPBOC) requested that the Finance and Administration Cabinet (FAC) and the Governor's Office for Policy and Management (GOPM) review the requirements of KRS Chapter 45 and our current procedures related to closing capital construction projects. Committee members expressed concern that funds were sitting unused in projects that were complete.

Staff of FAC and GOPM worked with committee staff to develop the attached guidelines to assure that capital projects are closed on a timely basis, in conformity with the law. These guidelines, which will be promulgated as a Finance and Administration Policy (FAP), accomplish the following:

- define the terms that mark capital project completion;
- set out the responsibilities of various agencies;
- allow for special situations to be addressed; and
- provide reporting to the CPBOC.

These guidelines are effective immediately. Agencies are encouraged to carefully review the policy and the attached July Quarterly Capital Construction Report for any projects that must be closed or justification provided for a delay in closing prior to the October report.

You may address questions regarding this policy to Steve Sharp, Director, Division of Engineering, Department for Facilities Management, via email or at 564-3155. Your cooperation in this matter is appreciated.

Attachments

c: Cabinet and other Agency Heads w/o attachments



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